

Law Offices of

CHAPMAN AND CUTLER LLP

Theodore S. Chapman  
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595 Market Street  
San Francisco, California 94105  
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January 21, 2004

Salt Lake City  
50 South Main Street  
Salt Lake City, Utah 84144  
(801) 533-0066

Mr. Vernon A. Williams, Secretary  
Surface Transportation Board  
1925 K Street, N.W. - Room 704  
Washington, D.C. 20423-0001

RECORDATION NO. 24485-T FILE

JAN 30 '04

2-34 PM

SURFACE TRANSPORTATION BOARD

Re: Assignment and Assumption  
of  
Synthetic Lease Financing of Railcars  
AEP Energy Services, Inc. - Assignee  
AEP Transportation, LLC - Assignor

Dear Mr. Williams:

I am enclosing for recording pursuant to Section 11301 of Title 49 of the United States Code, two copies of the secondary document described below. As an attorney representing one of the parties in this transaction, I have knowledge of the matters described in this letter.

The secondary document is as follows:

Assignment and Assumption Agreement, dated as of January, 21 2004, between the Assignor and the Assignee.

The primary documents to which Assignment and Assumption Agreement is connected is the Railcar Lease and Security Agreement, dated as of June 1, 2003 (and related documents and supplements thereto), covering the new railroad rolling stock bearing the road numbers listed in the exhibit thereto, which were assigned Recordation Numbers 24485 through 24485-S.

The names and addresses of the parties to the enclosed document are as follows:

ASSIGNMENT AND ASSUMPTION AGREEMENT

Assignor: AEP Energy Services, Inc.  
c/o American Electric Power Service Corporation  
1 Riverside Plaza  
Columbus, Ohio 43215

Assignee: AEP Transportation, LLC  
c/o American Electric Power Service Corporation  
1 Riverside Plaza  
Columbus, Ohio 43215

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Law Offices of  
CHAPMAN AND CUTLER LLP

Mr. Vernon A. Williams, Secretary  
January 21, 2004  
Page 2

The description of the Equipment covered as of the date hereof by the aforesaid Assignment and Assumption Agreement is as set forth on Exhibit A hereto.

A fee of thirty dollars (\$30.00) is enclosed. Please time and date stamp the enclosed copy of the enclosed document along with the extra copy of this letter as proof of filing and recordation of the enclosed document and return the original and any extra copies of such documents and this letter not needed by the Board for recordation to:

Richard J. DiLallo, Esq.  
Chapman and Cutler LLP  
111 West Monroe Street  
Chicago, IL 60603-4080

A short summary of the document to appear in the index follows:

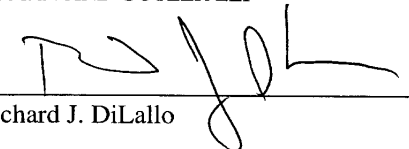
"ASSIGNMENT AND ASSUMPTION AGREEMENT, dated as of January 21, 2004, covering new railroad rolling stock bearing the road numbers listed in the exhibit thereto. The Assignment and Assumption Agreement is related to the Railcar Lease and Security Agreement between the BTM Capital Corporation and the Assignor dated as of June 1, 2003 (and related documents and supplements thereto), which were assigned Recordation Numbers 24485 through 24485-S."

If you have any questions or need further information, please do not hesitate to contact the undersigned at (312) 845-3481.

Sincerely,

CHAPMAN AND CUTLER LLP

By

  
Richard J. DiLallo

RJD  
Enclosures

Law Offices of  
CHAPMAN AND CUTLER LLP

**EXHIBIT A**

Description	Number of Cars	Marks	Car Numbers
Johnstown America built new Aluminum BethGon II Coalporters	875	COEH	5708 - 6562 (inclusive) and 699132 - 699151 (inclusive) (Double Rotary)

EXECUTION COPY

RECORDATION NO. 24485-T FILED

JAN 30 '04

2-34 PM

SURFACE TRANSPORTATION BOARD

ASSIGNMENT AND ASSUMPTION AGREEMENT

ASSIGNMENT AND ASSUMPTION AGREEMENT (this "*Agreement*"), dated as of January 21, 2004, between AEP ENERGY SERVICES, INC., an Ohio corporation (the "*Assignor*"), and AEP TRANSPORTATION, LLC, a Delaware limited liability company (the "*Assignee*").

WITNESSETH:

WHEREAS, the parties hereto desire to effect (a) the transfer by the Assignor of all of the right, title and interest of the Assignor, in, under and with respect to, among other things, (i) the Participation Agreement dated as of June 1, 2003 among the Assignor, BTM CAPITAL CORPORATION, a Delaware corporation (the "*Lessor*"), AMERICAN ELECTRIC POWER COMPANY, INC., a New York corporation (the "*Lease Guarantor*"), the institutional investors named in Schedule 2 thereto (the "*Note Purchasers*") and WILMINGTON TRUST COMPANY, individually to the extent provided therein ("*Wilmington*"), and otherwise as trustee (the "*Security Trustee*"), as amended by the First Amendment to Participation Agreement dated as of August 21, 2003 (as further amended, modified or supplemented and in effect from time to time the "*Participation Agreement*"), (ii) the Railcar Lease and Security Agreement dated as of June 1, 2003 between the Lessor, as lessor, and Assignor, as lessee (the "*Lease*"), (iii) the Lease Supplements (as defined in the Participation Agreement), (iv) the Acquisition Agreements (as defined in the Participation Agreement), (v) the Sublease Assignments (as defined in the Participation Agreement) and (vi) the Warranty Bills of Sale (as defined in the Participation Agreement) and (b) the assumption by the Assignee of the obligations of the Assignor accruing under any of the foregoing agreements;

WHEREAS, such documents relate to the equipment described in **Exhibit A** hereto (the "*Equipment*"); and

WHEREAS, such documents permit such transfer upon receipt of certain consents as provided in the Participation Agreement.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

*Section 1. Definitions.* Capitalized terms used herein without definition shall have the respective meanings ascribed thereto in the Participation Agreement.

*Section 2. Assignment.* The Assignor has sold, conveyed, assigned, transferred and set over, and does hereby sell, convey, assign, transfer and set over, unto the Assignee, as of the Effective Time (as defined below), all of its present and future right, title and interest in, under and with respect to the Participation Agreement, the Lease, the Lease Supplements, the Acquisition Agreements, the Warranty Bills of Sale, the Sublease Assignments and all of the other Operative Agreements to which the Assignor is a party and any other contract, agreement,

document or instrument relating to the Equipment or the Collateral by which the Assignor is bound, including, without limitation, any insurance policies or agreements relating thereto, and any proceeds therefrom, together with all other documents and instruments evidencing any of such right, title and interest.

*Section 3. Assumption.* The Assignee hereby unconditionally and expressly accepts the assignment set forth in **Section 2** hereof and assumes, confirms and agrees to perform and observe each and every covenant, right, promise, agreement, term, condition, duty, liability and obligation of the Assignor whenever accrued pursuant to the Participation Agreement, the Lease, the Lease Supplements, the Acquisition Agreements, the Warranty Bills of Sale, the Sublease Assignments and all of the other Operative Agreements to which the Assignor is, or will be, a party and any other contract, agreement, document or instrument relating to the Equipment or the Collateral by which the Assignor is bound, including, without limitation, any insurance policies or agreements relating thereto. The Assignee hereby confirms that from and after the Effective Time, it (i) shall be deemed a party to the Participation Agreement, the Lease, the Lease Supplements, the Acquisition Agreements, the Warranty Bills of Sale, the Sublease Assignments and each other Operative Agreement to which the Assignor is a party, (ii) shall be deemed the "Lessee" or "AEP Energy", as the case may be, in the Participation Agreement, the Lease, the Lease Supplements, the Acquisition Agreements, the Warranty Bills of Sale and the Sublease Assignments and (iii) shall be bound by, and comply with, all of the terms of each Operative Agreement to which the Assignor is a party or by which it is bound and each of such other contracts, agreements, documents or other instruments referred to in this **Section 3** (including the agreements and obligations of the Assignor set forth therein) as if therein named the Lessee.

*Section 4. Release of the Assignor.* The Assignor shall be relieved of all of its liabilities under the Participation Agreement, the Lease, the Lease Supplements, the Acquisition Agreements, the Warranty Bills of Sale, the Sublease Assignments and all of the other Operative Agreements to which the Assignor is a party; *provided, however*, that the Assignor shall in no event be released from any such liability arising or relating to any event occurring prior to the Effective Time or on account of any breach by the Assignor of any of its representations, warranties, covenants or obligations set forth in the Participation Agreement, the Lease, the Lease Supplements, the Acquisition Agreements, the Warranty Bills of Sale, the Sublease Assignments and all of the other Operative Agreements to which the Assignor is a party or for any fraudulent or willful misconduct engaged in by it prior to the Effective Time or for any Liens on the Collateral (other than the Liens of the Lessor or the Security Trustee) arising from the Assignor.

*Section 5. Payments.* The Assignor hereby covenants and agrees to pay over to the Assignee, if and when payable following the Effective Time, any amounts (including any sums payable as Rent) to be paid by the Assignee with respect to any period, or portion thereof, occurring prior to the Effective Time.

*Section 6. Representations and Warranties of the Assignor.* The Assignor represents and warrants that:

(a) the Assignor is (i) a corporation duly organized, validly existing, and in good standing under the laws of Ohio and (ii) is duly licensed or qualified and in good standing as a foreign corporation with full power and authority to carry on its present business and operations and to own or lease its properties and to conduct its business as now conducted, in each jurisdiction where the character of its properties or the nature of its activities makes such qualification necessary and has the corporate power and authority and all necessary licenses and permits to carry on its present business and operations, to own or lease its properties and to enter into and perform its obligations contemplated hereby except where the failure to be so licensed or qualified would not, individually or in the aggregate, have a material adverse effect on the properties, business or condition (financial or otherwise) of the Assignor;

(b) this Agreement have been duly authorized by all necessary corporate action on the part of the Assignor, has been duly executed and delivered by the Assignor, and constitutes the legal, valid and binding obligation of the Assignor enforceable against the Assignor in accordance with its terms, except as such terms may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or similar laws now or hereafter in effect affecting creditors' rights generally and general principles of equity including the discretion of the court before which any proceeding may be brought (regardless of whether such enforceability is considered in a proceeding in law or equity);

(c) the execution and delivery by the Assignor of this Agreement and compliance by the Assignor with all of the provisions hereof are within the corporate powers of the Assignor and do not and will not contravene any law or any order of any court or governmental authority or agency applicable to or binding on it, or contravene the provisions of, or constitute a default under, or result in the creation of any Lien upon the property of the Assignor under its Articles of Incorporation or by-laws or any indenture, mortgage, contract or other agreement or instrument to which the Assignor is a party or by which the Assignor or any of its property may be bound or affected;

(d) no action or proceeding is pending, has been instituted or, to the knowledge of the Assignor, is threatened, before any governmental authority nor has any order, judgment or decree been issued or, to the knowledge of the Assignor, is threatened, by any governmental authority which would materially adversely affect the ability of the Assignor to complete and consummate its obligations contemplated hereby;

(e) neither the execution, delivery and performance by the Assignor of this Agreement, nor compliance by the Assignor with any of the provisions hereof, requires or will require any approval of its stockholders, or approval or consent of any trustees or holders of any indebtedness or obligations of the Assignor (other than the Lessor, the Security Trustee and Burlington Northern Santa Fe) or any consent, approval or authorization of, or filing, registration or qualification with, any governmental authority, including without limitation, the Securities and Exchange Commission under PUHCA Company Act of 1935;

(f) there are no Liens on the Collateral (other than the Liens of the Lessor or the Security Trustee) attributable to the Assignor and the execution, delivery and performance by the Assignor of this Agreement will not result in the creation of any Liens on the Collateral;

(g) the Assignor has fully performed all of its obligations under the Participation Agreement and under each other Operative Agreement to which the Assignor is a party or by which the Assignor is bound, which obligations by their terms are required to be satisfied or performed prior to the Effective Time or prior to the consummation of the transactions contemplated hereby and no Lease Default or Lease Event of Default has occurred and is continuing;

(h) the transfer to the Assignee of all of the Assignor's right, title and interests as Lessee satisfies the conditions on the part of the Assignor set forth in Section 13(a) of the Lease.

*Section 7. Representations and Warranties of the Assignee.* The Assignee represents and warrants that:

(a) the Assignee is (i) a limited liability company duly organized, validly existing, and in good standing under the laws of Delaware and (ii) is duly licensed or qualified and in good standing as a foreign limited liability company with full power and authority to carry on its present business and operations and to own or lease its properties and to conduct its business as now conducted, in each jurisdiction where the character of its properties or the nature of its activities makes such qualification necessary and has the corporate power and authority and all necessary licenses and permits to carry on its present business and operations, to own or lease its properties and to enter into and perform its obligations contemplated hereby and the obligations of the Lessee under the Operative Agreements except where the failure to be so licensed or qualified would not, individually or in the aggregate, have a material adverse effect on the properties, business or condition (financial or otherwise) of the Assignee;

(b) this Agreement and the Lessee Agreements have been duly authorized by all necessary legal action on the part of the Assignee, has, in the case of this Agreement, been duly executed and delivered by the Assignee, and constitute the legal, valid and binding obligation of the Assignee enforceable against the Assignee in accordance with its terms, except as such terms may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or similar laws now or hereafter in effect affecting creditors' rights generally and general principles of equity including the discretion of the court before which any proceeding may be brought (regardless of whether such enforceability is considered in a proceeding in law or equity);

(c) the execution and delivery by the Assignee of this Agreement and compliance by the Assignee with all of the provisions hereof and of the Lessee Agreements are within the legal powers of the Assignee and do not and will not contravene any law or any order of any court or governmental authority or agency

applicable to or binding on it, or contravene the provisions of, or constitute a default under, or result in the creation of any Lien upon the property of the Assignee under its Certificate of Formation or Limited Liability Company Agreement or any indenture, mortgage, contract or other agreement or instrument to which the Assignee is a party or by which the Assignee or any of its property may be bound or affected;

(d) there are no proceedings pending or, to the knowledge of the Assignee, threatened, and to the knowledge of the Assignee there is no existing basis for any such proceedings, against or affecting the Assignee in any court or before any governmental authority or arbitration board or tribunal which, if adversely determined, might materially affect adversely the properties, business or condition (financial or otherwise) of the Assignee or impair the ability of the Assignee to perform its obligations under this Agreement or the Lessee Agreements. The Assignee is not in default with respect to any order of any court or governmental authority or arbitration board or tribunal;

(e) (i) no consent, approval or authorization of, or filing, registration or qualification with, any governmental authority, including without limitation, the Securities and Exchange Commission under PUHCA Company Act of 1935, on the part of the Assignee is required in connection with the execution, delivery and performance of the Operative Agreements;

(ii) neither the Lessor nor any of its Affiliates shall, solely by reason of (A) ownership of the Equipment by the Lessor, or (B) the lease of the Equipment to the Assignee, or (C) any other transaction contemplated hereby, (x) be deemed to be, or be subject to regulations as, a "public utility company" or a "public utility holding company" under PUHCA, or a "public utility" under the Federal Power Act as each of such Acts is now in effect or (y) be subject to regulation by The Public Utilities Commission of Ohio;

(iii) the Assignee is not an "investment company" or an "affiliated person" of an "investment company" within the meaning of the Investment Company Act of 1940, as amended;

(iv) the Assignee (a) is not a person whose property or interests in property are blocked pursuant to Section 1 of Executive Order 13224 of September 23, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49079 (2001)) or (b) does not engage in any dealings or transactions, or is otherwise associated, with any such person;

(f) as of the Effective Time, all amendments to all recordings and filings and other actions necessary or desirable to protect the rights of the Lessor in the Equipment and under the Lease and to perfect the lien and security interest of the Security Trustee under the Security Agreement in the Collateral as against creditors of and purchasers from the Lessor will have been made, and the Security Agreement will create a valid and perfected first priority lien and security interest in the Equipment and in all other



Collateral, effective as against creditors of and purchasers from the Lessor and the Assignee, securing the payment of all Secured Indebtedness;

(g) (i) the Assignee is not in violation in any material respect of any term of any charter instrument, by-law or other agreement or instrument to which it is a party or by which it may be bound; (ii) the Assignee is in compliance with all laws, ordinances, governmental rules and regulations to which it is subject, the failure to comply with which would have a material adverse effect on its business or condition (financial or otherwise), or would materially impair the ability of the Assignee to perform its obligations under this Agreement or the Lessee Agreements, and has obtained all licenses, permits, franchises and other governmental authorizations material to the conduct of its business, including, without limitation, the leasing of the Equipment; and (iii) the transactions contemplated hereby shall not be voidable, illegal or fraudulent to creditors of the Assignee;

(h) in reliance upon and subject to the accuracy of the representations of the Participants contained in Section 3.6(b) of the Participant Agreement, the consummation of the transactions contemplated hereby and compliance by the Assignee with the provisions of the Lessee Agreements will not involve any prohibited transaction within the meaning of Section 406 of ERISA or Section 4975 of the Code. No Plans (other than a Multiemployer Plan), maintained by the Assignee or any Person which is under common control with the Lessee within the meaning of Section 4001(b) of ERISA, nor any trusts created thereunder, have incurred any "accumulated funding deficiency" as defined in Section 302(a)(2) of ERISA;

(i) there are no Liens on the Collateral (other than the Liens of the Lessor and the Security Trustee) attributable to the Assignee and the execution, delivery and performance by the Assignee of this Agreement will not result in the creation of any Liens on the Collateral; and

(j) the transfer to the Assignee of all of the Assignee's right, title and interests as Lessee satisfies the conditions on the part of the Assignee set forth in Section 13(a) of the Lease.

*Section 8. Effectiveness.* This Agreement shall be effective on a date selected by the Assignor and Assignee and once each of the following conditions have been met (the "*Effective Time*");

(a) *Execution of the Agreement.* On or before the Effective Time, this Agreement and the attached Instrument of Transfer, shall have been duly executed and delivered by the parties hereto and consented to by the Note Purchasers, the Security Trustee, the Lease Guarantor, the LC Issuer and the Lessor.

(b) *Recordation and Filing.* On or before Effective Time, the Assignee will cause (i) this Agreement to be duly filed, recorded and deposited (A) with the Surface Transportation Board in conformity with 49 U.S.C. Section 11301 and in such other

places within the United States as the Security Trustee or any Participant may reasonably request for the protection of the title of the Lessor to or the security interest of the Security Trustee in the Equipment and (B) with the Registrar General of Canada pursuant to Section 105 of the Canada Transportation Act (and provision will have been made for publication of notice of such deposit in The Canada Gazette in accordance with said Section 105), and the Assignor will furnish the Security Trustee, the Lessor and each Note Purchaser with proof of filing in each such location and (ii) all amendments to UCC financing statements, or original filings of UCC financing statements, necessary to reflect the assignment by the Assignor of its interest in the Equipment to have been duly filed and recorded.

(c) *Assignee's Legal Existence and Authority.* On or before the Effective Time, each Note Purchaser, the Lease Guarantor, the Lessor and the Security Trustee shall have received, in form and substance reasonably satisfactory to such parties and their respective counsel, such documents and evidence with respect to the Assignee as any Participant may reasonably request in order to establish the existence and good standing of the Assignee, the authorization of the transactions contemplated by this Agreement, the taking of all legal proceedings in connection therewith and compliance with the conditions set forth in this **Section 8**, including, without limitation, certified resolutions and incumbency of the Assignee.

(d) *Instrument of Transfer.* On or before Effective Time, each of the Assignor and the Assignee shall have delivered an Instrument of Transfer addressed to the Note Purchasers, the Lessor, the LC Issuer and the Security Trustee, substantially in the form attached hereto as **Exhibit B**.

(e) *Opinions of Counsel.* On the date of the Effective Time, the Lessor, the Security Trustee and each Note Purchaser shall have received the favorable written opinions, dated in each case the date of the Effective Time, of (i) an attorney for American Electric Power Service Corporation, as counsel for the Assignor and Assignee, (ii) Alvord & Alvord, special Surface Transportation Board counsel to the Assignee and the Participants and (iii) McCarthy Tétrault LLP, special Canadian counsel to the Assignee and the Participants, all substantially in the respective forms set forth in **Exhibit C** hereto.

(f) *Consents under Other Obligations.* On or before the Effective Time, all approvals and consents of any indenture trustee or holders of any indebtedness or obligations of the Assignor or the Assignee or parties to any agreements of the Assignor or the Assignee, including without limitation, the BNSF Sublease, which in the reasonable opinion of any Participant are required in connection with any of the transactions contemplated by this Agreement, shall have been duly obtained, and copies thereof, in form and substance satisfactory to such Participant, certified by the Secretary or an Assistant Secretary of the Assignor or the Assignee, as the case may be, shall have been delivered to the Lessor, the Security Trustee and each Participant.

(g) *Regulatory Approvals.* On or before the Effective Time, all approvals and consents, if any, of any regulatory body, state, Federal or local, shall have been obtained and evidence of such approvals and consents satisfactory to the Participants shall have been provided to each Note Purchaser, the Lessor and the Security Trustee.

(h) *Fees Payable at the Effective Time.* The Assignor will pay all reasonable expenses relating to the closing of the transactions contemplated by this Agreement, including without limitation, (i) the reasonable fees and expenses of Chapman and Cutler LLP, special counsel for the Note Purchasers and (ii) all reasonable costs and fees in connection with the initial filing of this Agreement, including the fees and expenses of (A) Alvord & Alvord, as Surface Transportation Board counsel and (B) McCarthy Tétrault, as special Canadian counsel.

(i) *Proceedings Satisfactory.* All proceedings taken as of the Effective Time in connection with the transactions contemplated hereby and all documents and papers relating thereto shall be satisfactory to such Participant and its special counsel, if any, and such Participant and such special counsel shall have received copies of such documents and papers as such Participant or such special counsel may reasonably request in connection therewith, all in form and substance satisfactory to such Participant and such special counsel.

*Section 9. Further Assurances.* Each party agrees that from time to time after the Effective Time, it shall execute and deliver or cause to be executed and delivered such instruments, documents and papers, and take all such further action as may be reasonably required in order to consummate fully the purposes of this Agreement and to implement the transactions contemplated hereby.

*Section 10. Governing Law.* THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF OHIO, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE.

*Section 11. Successors and Assigns; Beneficiaries.* This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and the other parties to the Operative Documents, and their respective successors and assigns; each of the Note Purchasers, the Lessor, the LC Issuer and the Security Trustee, together with their respective successors and permitted assigns, is and shall be deemed a third party beneficiary of this Agreement entitled to enforce this Agreement directly and in its own name and enforce any rights or claims of the parties hereto.

*Section 12. Amendment, Etc.* No amendment or waiver of any provision of this Agreement shall be effective, unless the same be in writing and executed by each of the Assignor, the Assignee, Note Purchasers, the Lessor, the LC Issuer and the Security Trustee.

*Section 13. Counterparts.* This Agreement may be executed in any number of counterparts, all of which together shall constitute a single instrument. It shall not be necessary

AEP Transportation, LLC

Assignment and Assumption Agreement

that any counterpart be signed by both parties so long as each party shall sign at least one counterpart.

AEP Transportation, LLC

Assignment and Assumption Agreement

IN WITNESS WHEREOF, the parties hereto have executed this Assignment and Assumption Agreement as of the day and year first above written.

THE ASSIGNOR:

AEP ENERGY SERVICES, INC.

By Wendy D. Hargis  
Its Assistant Treasurer

THE ASSIGNEE:

AEP TRANSPORTATION, LLC

By Wendy D. Hargis  
Its Assistant Treasurer

AEP Transportation, LLC

Assignment and Assumption Agreement

STATE OF OHIO                    )  
  ) SS.:  
COUNTY OF FRANKLIN         )

On this, the 21<sup>st</sup> day of January, 2004, before me, a Notary Public in and for said County and State, personally appeared Wendy G. Hargus, the Assistant Treasurer of AEP ENERGY SERVICES, INC., who acknowledged herself to be a duly authorized officer of AEP ENERGY SERVICES, INC., and that, as such officer, being authorized to do so, she executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Name: [Signature]  
Notary Public  
My Commission Expires: \_\_\_\_\_  
Residing in \_\_\_\_\_



DAVID G. HOUSE, ATTORNEY AT LAW

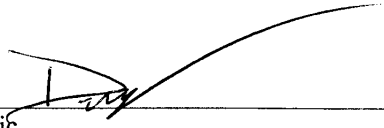
AEP Transportation, LLC

Assignment and Assumption Agreement

STATE OF OHIO                    )  
  ) SS.:  
COUNTY OF FRANKLIN         )

On this, the 21<sup>st</sup> day of January, 2004, before me, a Notary Public in and for said County and State, personally appeared Wendy G. Hargis, the Assistant Treasurer of AEP TRANSPORTATION, LLC, who acknowledged herself to be a duly authorized officer of AEP TRANSPORTATION, LLC, and that, as such officer, being authorized to do so, she executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Name:   
Notary Public  
My Commission Expires: \_\_\_\_\_  
Residing in \_\_\_\_\_

CLERK OF COURT  
CLERK OF COURT  
CLERK OF COURT

AEP Transportation, LLC

Assignment and Assumption Agreement

The undersigned, American Electric Power Company, Inc. (the "*Lease Guarantor*"), hereby consents to all of the terms of the foregoing Assignment and Assumption Amendment and confirms its continued guaranty of the obligations of the Lessee under the Lessee Agreements, as assigned and assumed hereby, pursuant to the terms of the Guaranty dated as of June 1, 2003.

LEASE GUARANTOR:

AMERICAN ELECTRIC POWER COMPANY, INC.

By Wendy D. Hughes  
Its Assistant Treasurer



AEP Transportation, LLC

Assignment and Assumption Agreement

Pursuant to Section 13(a) of the Lease, the undersigned, BTM Capital Corporation (the "*Lessor*"), hereby consents to all of the terms of the foregoing Assignment and Assumption Amendment.

THE LESSOR:

BTM CAPITAL CORPORATION

By John F. McCarthy  
Its Vice President

AEP Transportation, LLC

Assignment and Assumption Agreement

Pursuant to Section 13(a) of the Lease, the undersigned, Wilmington Trust Company (the "Security Trustee"), hereby consents to all of the terms of the foregoing Assignment and Assumption Amendment.

SECURITY TRUSTEE:

WILMINGTON TRUST COMPANY, not in its  
individual capacity, but solely as Security  
Trustee

By Robert P. H. [Signature]  
Its Senior Financial Services Officer

AEP Transportation, LLC

Assignment and Assumption Agreement

The undersigned, American General Life Insurance Company and American International Life Assurance Company of New York (collectively, the "*Note Purchasers*"), hereby consent to all of the terms of the foregoing Assignment and Assumption Amendment and hereby authorize and instruct the Security Trustee to execute and deliver its consent to all of the terms of the foregoing Assignment and Assumption Agreement.

NOTE PURCHASERS:

AMERICAN GENERAL LIFE INSURANCE COMPANY  
AMERICAN INTERNATIONAL LIFE ASSURANCE  
COMPANY OF NEW YORK

By: AIG Global Investment Corp., investment  
adviser

By Victoria Y. Chin  
Victoria Y. Chin  
Vice President

AEP Transportation, LLC

Assignment and Assumption Agreement

The undersigned, BTM Capital Corporation (the "*LC Issuer*"), hereby consents to all of the terms of the foregoing Assignment and Assumption Amendment.

THE LC ISSUER:

BTM CAPITAL CORPORATION

By John F. McCarty  
Its Vice President

**EXHIBIT A**  
**DESCRIPTION OF EQUIPMENT**

DESCRIPTION	NUMBER OF CARS	MARKS	CAR NUMBERS
Johnstown America built new Aluminum BethGon II Coalporters	875	COEH	5708 - 6562 (inclusive) and 699132 - 699151 (inclusive) (Double Rotary)

EXHIBIT A  
(to Assignment and Assumption Agreement)

**EXHIBIT B TO THE  
ASSIGNMENT AND ASSUMPTION AGREEMENT**

**INSTRUMENT OF TRANSFER**

January 21, 2004

To each of the Addressees  
Listed on Schedule I hereto

Ladies and Gentlemen:

In connection with the transfer by AEP ENERGY SERVICES, INC., an Ohio corporation (the "*Assignor*") to AEP TRANSPORTATION, LLC, a Delaware limited liability company (the "*Assignee*") of all of the right, title and interest of the Assignor in, under and with respect to, among other things, the Participation Agreement dated as of June 1, 2003 among the Assignor, BTM Capital Corporation, American Electric Power Company, Inc., the institutional investors named in Schedule 2 thereto and Wilmington Trust Company, individually to the extent provided therein, and otherwise as trustee, as amended by the First Amendment to Participation Agreement dated as of August 21, 2003 (as further amended, modified or supplemented and in effect from time to time the "*Participation Agreement*"), the Railcar Lease and Security Agreement dated as of June 1, 2003 between the Lessor, as lessor, and Assignor, as lessee (the "*Lease*"), the Lease Supplements (as defined in the Participation Agreement), the Acquisition Agreements (as defined in the Participation Agreement), the Sublease Assignments (as defined in the Participation Agreement) and the Warranty Bills of Sale (as defined in the Participation Agreement) and the other Operative Agreements, and the assumption by the Assignee of the obligations of the Assignor accruing thereunder, such transfer and assumption being effected pursuant to the Assignment and Assumption Agreement, dated as of January 21, 2004 (the "*Assignment*"), between the Assignor and the Assignee, an executed copy of which is attached hereto, each of the Assignor and Assignee hereby confirms for your benefit the accuracy of its respective representations and warranties contained in the Assignment and agrees for your benefit to perform all of its respective obligations under the Assignment. The Assignee shall be deemed a party to the Participation Agreement, the Lease, the Lease Supplements, the Acquisition Agreements, the Warranty Bills of Sale, the Sublease Assignments and each other Operative Agreement to which the Lessee is a party or by which the Lessee has agreed to be bound and shall be deemed the "Lessee" or "AEP Energy", as the case may be, in the Participation Agreement, the Lease, the Lease Supplements, the Acquisition Agreements, the Warranty Bills of Sale, the Sublease Assignments and each other Operative Agreement to which it is a party, and agrees to be bound by all of the terms of, and to undertake all of the obligations of the Lessee contained in, the Participation Agreement, the Lease, the Lease Supplements, the Acquisition Agreements, the Warranty Bills of Sale, the Sublease Assignments and each other Operative Agreements to which the Lessor is a party or by which it is bound.

EXHIBIT B  
(to Assignment and Assumption Agreement)

AEP Transportation, LLC

Instrument of Transfer

THE ASSIGNOR:

AEP ENERGY SERVICES, INC.

By Wendy D. Hughes  
Its Assistant Treasurer

THE ASSIGNEE:

AEP TRANSPORTATION, LLC

By Wendy D. Hughes  
Its Assistant Treasurer

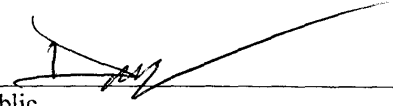
AEP Transportation, LLC

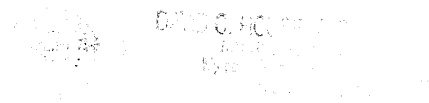
Instrument of Transfer

STATE OF OHIO                    )  
  ) SS.:  
COUNTY OF FRANKLIN         )

On this, the 21<sup>st</sup> day of January, 2004, before me, a Notary Public in and for said County and State, personally appeared Wendy G. Hargus, the Assistant Treasurer of AEP ENERGY SERVICES, INC., who acknowledged herself to be a duly authorized officer of AEP ENERGY SERVICES, INC., and that, as such officer, being authorized to do so, she executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Name:   
Notary Public  
My Commission Expires: \_\_\_\_\_  
Residing in \_\_\_\_\_





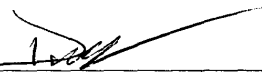
AEP Transportation, LLC

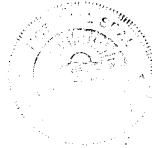
Instrument of Transfer

STATE OF OHIO                    )  
  ) SS.:  
COUNTY OF FRANKLIN         )

On this, the 21<sup>st</sup> day of January, 2004, before me, a Notary Public in and for said County and State, personally appeared Wendy G. Hargus, the Assistant Treasurer of AEP TRANSPORTATION, LLC, who acknowledged herself to be a duly authorized officer of AEP TRANSPORTATION, LLC, and that, as such officer, being authorized to do so, she executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Name:   
Notary Public  
My Commission Expires: \_\_\_\_\_  
Residing in \_\_\_\_\_



DAVID C. HOUSE, ATTORNEY AT LAW  
NOTARY PUBLIC  
My commission expires 12/31/2006  
Section 1102.02

**SCHEDULE I**

Lessor and LC Issuer:	BTM CAPITAL CORPORATION 111 Huntington Avenue Boston, Massachusetts 02199
Note Purchasers:	AMERICAN GENERAL LIFE INSURANCE COMPANY c/o AIG Global Investment Corporation 2929 Allen Parkway, A36-04 Houston, Texas 77019-2155  AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY OF NEW YORK c/o AIG Global Investment Corporation 2929 Allen Parkway, A36-04 Houston, Texas 77019-2155
Security Trustee:	WILMINGTON TRUST COMPANY, as Security Trustee Rodney Square North 1100 North Market Street Wilmington, Delaware 19890-0001

SCHEDULE I  
(to Instrument of Transfer)

**EXHIBIT C TO THE  
ASSIGNMENT AND ASSUMPTION AGREEMENT  
DESCRIPTION OF OPINION  
OF  
COUNSEL TO THE ASSIGNOR AND ASSIGNEE**

The closing opinion of \_\_\_\_\_, which is called for by Section 8(d) of the Assignment and Assumption Agreement, shall be dated date of the Effective Time and addressed to the Note Purchasers, the Lessor and the Security Trustee, shall be satisfactory in form and substance to each of said parties, and shall be to the effect that:

1. The Assignee is a limited liability company duly organized, legally existing and in good standing under the laws of the State of Delaware and has full right, power and authority to enter into and perform the Assignment and Assumption Agreement and to perform the obligations of the Lessee under the Operative Agreements. The Assignee is duly authorized to conduct its business in each jurisdiction in which it operates and is duly qualified and is in good standing as a foreign limited liability company in each jurisdiction where the character of its properties or the nature of its activities makes such qualification necessary except where the failure to be so qualified will not have a material adverse effect on the business, properties or condition (financial or otherwise) of the Assignee.

2. The Assignor is a corporation duly organized, legally existing and in good standing under the laws of the State of Ohio and has full right, power and authority to enter into and perform the Assignment and Assumption Agreement. The Assignor is duly authorized to conduct its business in each jurisdiction in which it operates and is duly qualified and is in good standing as a foreign corporation in each jurisdiction where the character of its properties or the nature of its activities makes such qualification necessary except where the failure to be so qualified will not have a material adverse effect on the business, properties or condition (financial or otherwise) of the Assignor.

3. The Assignment and Assumption Agreement and the Lessee Agreements have been duly authorized by all necessary legal action on the part of the Assignee, has, in the case of the Assignment and Assumption Agreement, been duly executed and delivered by the Assignee, and constitute the legal, valid and binding obligation of the Assignee enforceable against the Assignee in accordance with its terms, subject to bankruptcy, insolvency, fraudulent conveyance and similar laws affecting creditors' rights generally, and general principles of equity (regardless of whether the application of such principles is considered in a proceeding in equity or at law).

EXHIBIT C  
(to Assignment and Assumption Agreement)

4. The Assignment and Assumption Agreement has been duly authorized, executed and delivered by the Assignor and constitutes legal, valid and binding obligation, contract and agreement of the Assignor enforceable in accordance with its terms, subject to bankruptcy, insolvency, fraudulent conveyance and similar laws affecting creditors' rights generally, and general principles of equity (regardless of whether the application of such principles is considered in a proceeding in equity or at law).

5. No approval, consent or authorization on the part of any regulatory body, Federal, state or local, is necessary as a condition to the lawful execution and delivery by the Assignee of the Assignment and Assumption Agreement.

6. No approval, consent or authorization on the part of any regulatory body, Federal, state or local, is necessary as a condition to the lawful execution and delivery by the Assignor of the Assignment and Assumption Agreement.

7. The execution, delivery and performance by the Assignee of the Assignment and Assumption Agreement and compliance by the Assignee with all provisions thereof and of the Lessee Agreements will not violate any provisions of any Delaware law or Federal statutes, laws, rules or regulations or any order or decree of any court or governmental authority or agency and will not conflict with nor result in any breach of any of the provisions of, or constitute a default under, or result in the creation of any lien upon any property of the Assignee under the provisions of any agreement, charter instrument, by-law or other instrument to which the Assignee is a party or by which it may be bound.

8. The execution, delivery and performance by the Assignor of the Assignment and Assumption Agreement will not violate any provisions of any Ohio law or Federal statutes, laws, rules or regulations or any order or decree of any court or governmental authority or agency and will not conflict with nor result in any breach of any of the provisions of, or constitute a default under, or result in the creation of any lien upon any property of the Assignor under the provisions of any agreement, charter instrument, by-law or other instrument to which the Assignor is a party or by which it may be bound.

9. The Assignment and Assumption Agreement has been filed for record or recorded with the Surface Transportation Board pursuant to 49 U.S.C. §11301 and no other filing, recording or depositing is necessary in the United States of America to protect the rights of the Lessor to the Equipment in the United States.

10. 49 U.S.C. §11301 requires no refiling or rerecording in the United States of America with respect to the Assignment and Assumption Agreement to maintain the perfection of the Lien and the security interest of the Security Trustee under the Security Agreement.

11. Neither the Note Purchasers, the Security Trustee nor the Lessor will become, solely by reason of the execution and delivery by the Assignor and the Assignee of the Assignment and Assumption Agreement, an "electric utility company", a "public utility company" or a "holding company" under the Public Utility Holding Company Act of 1935, a "public utility" under the Federal Power Act or subject to regulation under, or the jurisdiction of any governmental agency pursuant to the Public Utility Holding Company Act of 1935, the Federal Power Act or any other Federal or state law relating to public utilities. No approval, consent or withholding of objection on the part of the Federal Energy Regulatory Commission, the Securities and Exchange Commission under the Public Utility Holding Company Act of 1935 or The Public Utilities Commission of Ohio, or notice to or filing with any such commissions, is required on the part of the Note Purchasers, the Lessor or the Security Trustee in connection with the execution, delivery and performance under the Assignment and Assumption Agreement.

12. Except as disclosed in the Annual Report on Form 10-K for the year ended December 31, 2002, there are no proceedings pending or, to my knowledge after due inquiry, threatened, against or affecting the Assignee in any court or before any governmental authority or arbitration board or tribunal which if adversely determined would individually or in the aggregate materially and adversely affect the business or properties of the Assignee or the Assignee's ability to perform its obligations under the Assignment and Assumption Agreement or the Lessee Agreements. The Assignee is not in material default with respect to any order of any court or governmental authority or arbitration board or tribunal which would materially and adversely affect the properties, business or condition (financial or otherwise) of the Assignee or the ability of the Assignee to perform the Assignment and Assumption Agreement or the Lessee Agreements.

13. The courts of the State of Ohio will give effect to those provisions of the Assignment and Assumption Agreement which stipulate that such documents shall be governed by and construed in accordance with the internal laws of the State of Ohio except where the application of such law would be contrary to a fundamental policy of a state which both (i) has a materially greater interest than the State of Ohio in the determination of the particular issue and (ii) would be the state law of choice in the absence of the parties' stipulation that Ohio law shall govern.

14. All licenses, permits, rights of way and other authorizations, consents and other filings required by law to be obtained or made in order to permit the use and operation of the Items of Equipment in the manner contemplated by the Operative Agreements have been obtained or made, where the failure to obtain any such license, permit, authorization or consent or make any such filing might have a material adverse effect on the Assignee's ability to perform its obligations under the Assignment and Assumption Agreement or the Lessee Agreements.

With respect to matters of fact upon which such opinions are based, such counsel may rely on appropriate certificates of public officials and officer's certificates.

Such opinions shall also cover such other matters incident to the transactions contemplated by the Assignment and Assumption Agreement as the Note Purchasers or their counsel may reasonably request.

**DESCRIPTION OF CLOSING OPINION OF SPECIAL SURFACE TRANSPORTATION  
BOARD COUNSEL TO THE ASSIGNEE**

The closing opinion of Alvord & Alvord, special Surface Transportation Board counsel to the Lessee which is called for by Section 8(d) of the Participation Agreement, shall be dated the Effective Time and addressed to the Note Purchasers, the Lessor, the Security Trustee and the Assignee shall be to the effect that the Assignment and Assumption Agreement has been duly filed and recorded with the Commission pursuant to and in compliance with the provisions of 49 U.S.C. Section 11301 and the regulations promulgated thereunder in 49 C.F.R. Section 1177.

**DESCRIPTION OF CLOSING OPINION OF SPECIAL CANADIAN  
COUNSEL TO THE ASSIGNEE**

The closing opinion of McCarthy Tétrault LLP, special Canadian counsel to the Assignee which is called for by Section 8(d) of the Assignment and Assumption Agreement, shall be dated the Effective Time and addressed to the Note Purchasers, the Lessor, the Security Trustee and the Lessee shall be to the effect that the Assignment and Assumption Agreement has been duly filed and recorded with the Registrar General of Canada pursuant to and in compliance with the provisions of Section 105 of the Canada Transportation Act.